

# News

U.S. Department of Labor  
Bureau of Labor Statistics  
PO Box 193766  
San Francisco, CA 94119-3766



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## CONTACT:

Stanley P. Stephenson (415) 975-4373  
Nancy A. Treadwell (415) 975-4403  
Public Information Line (415) 975-4350  
Internet address: <http://www.bls.gov/ro9/ro9news.htm>  
Fax on demand (415) 975-4567, Document 9620

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## AVERAGE ANNUAL PAY IN CALIFORNIA, 2000

Annual pay in California averaged \$41,194 in 2000, increasing 9.6 percent over the year, the second highest pay growth in the nation<sup>1</sup>, according to the Bureau of Labor Statistics of the U.S. Department of Labor. Regional Commissioner Stanley P. Stephenson noted that California's pay level ranked fifth highest among all states. Pay in California exceeded both the national average (\$35,296) and the Pacific division<sup>2</sup> (\$39,583). (See table 1.)

Average pay in the Pacific division grew at a 8.4 percent pace in 2000 compared to 5.9 percent nationally. Within the five-state division, California (9.6 percent) and Oregon (6.1 percent) posted pay gains above the nationwide average, while Hawaii registered the smallest increase at 2.8 percent, second lowest in the nation. Pay levels exceeded the national average in both California and Washington (\$37,059), while Alaska's (\$35,125) about equaled that for the United States. In the two remaining states, annual pay averaged \$32,765 in Oregon and \$30,630 in Hawaii. (See table 1.)

Annual pay data are compiled from reports submitted by employers subject to State and federal Unemployment Insurance (UI) laws covering 129.9 million full- and part-time workers nationwide. Average annual pay is computed by dividing total annual payrolls of employees covered by UI programs by the average monthly number of these employees. (See Technical Note.) Pay differences among states reflect the varying composition of employment by occupation, industry, and hours of work, as well as other factors. Similarly, over-the-year pay changes may reflect shifts in these characteristics, as well as changes in the level of average pay.

## Pay in industries

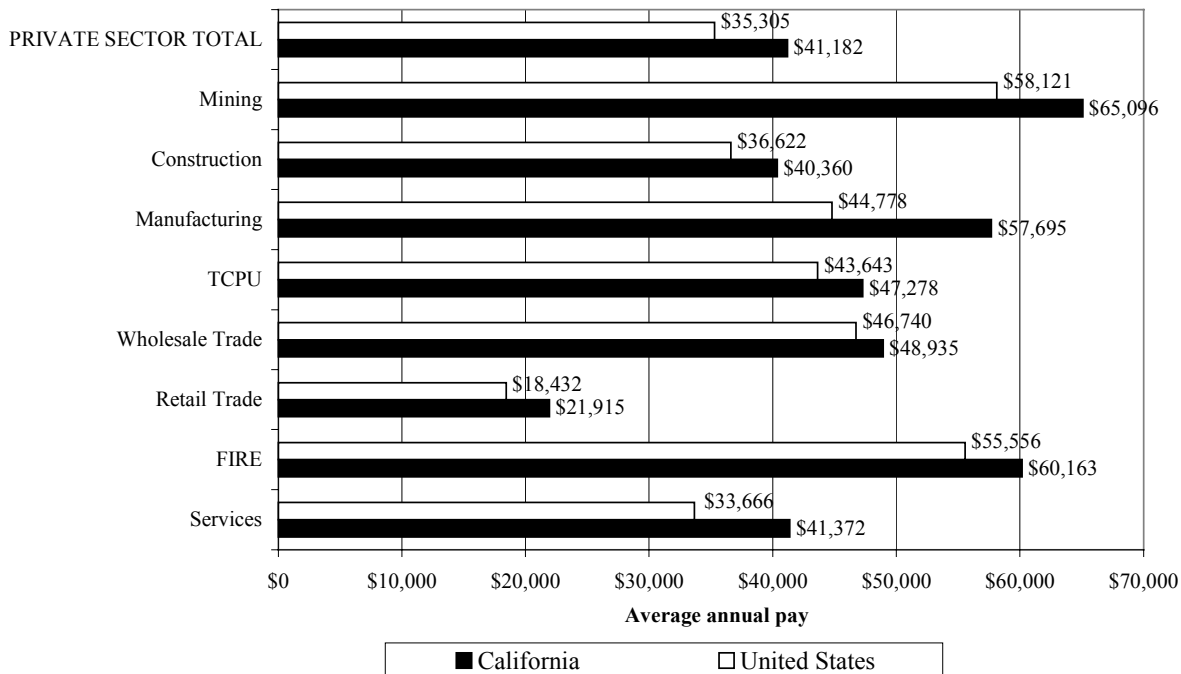
Annual pay for private industry workers (excludes those in government) in California averaged \$41,182 in 2000, \$5,877 more than the national average of \$35,305. (See chart 1.) Over the year, California's pay advanced 10.4 percent, considerably faster than the 6.2 percent increase nationwide.

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<sup>1</sup> In 2000, Massachusetts (9.8 percent) had the highest pay growth in the nation.

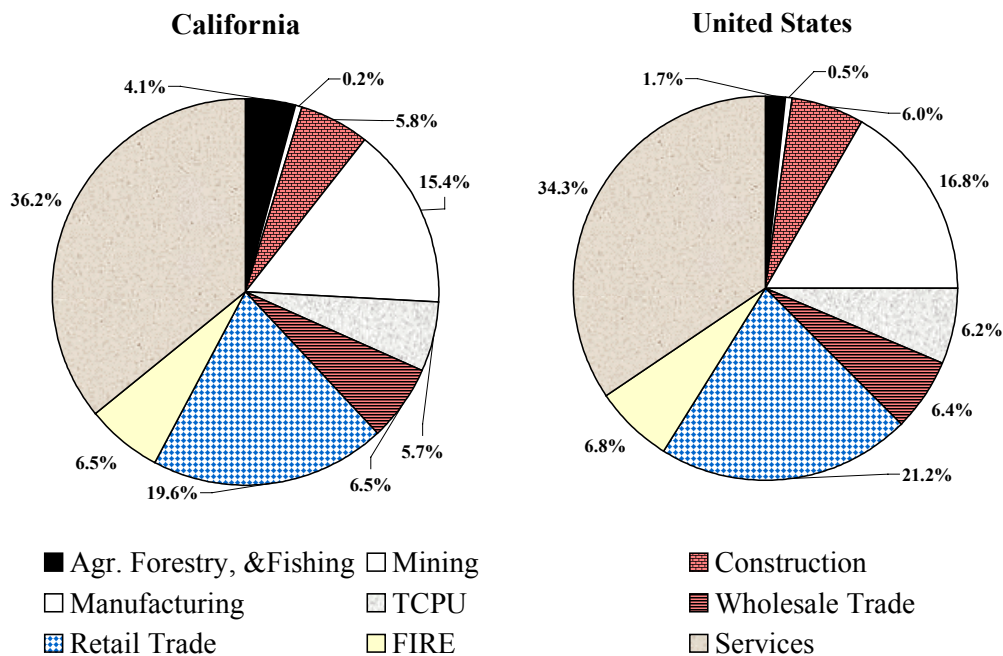
<sup>2</sup> The Pacific division referenced in this release corresponds to the Census definition and is comprised of five states: Alaska, California, Hawaii, Oregon, and Washington.

**Chart 1. Average annual pay in the United States and the State of California by private industry division, 2000**



(See table 2.) Among the private industry divisions in California, manufacturing outpaced all others with a pay gain of 16.2 percent. Services advanced 12.2 percent and finance, insurance, and real estate, 10.0 percent, rounding out the industries with growth rates in the double-digits. Mining was the only industry in the State to record a decline in pay, down 1.5 percent. Nevertheless, mining remained the highest paid industry at \$65,096. Retail trade, which includes a high percentage of part-time workers, remained the lowest paid at \$21,915. Statewide pay levels in the private sector were above the nationwide averages in all eight industry divisions.

**Chart 2. Private sector employment by industry division, 2000\***



\* Industries are in clockwise order.

Services, California's largest industry division, accounted for over one-third of all private sector jobs, and retail trade made up almost one-fifth. (See chart 2.) The distribution for California was similar to that for the nation. There were, however, some differences. For example, agriculture, forestry, and fishing accounted for 4.1 percent of private sector employment in California but 1.7 percent in the nation. Overall, 85 percent of the State's workforce was employed by private industry.

### **Pay in metropolitan areas**

Among California's 25 metropolitan areas<sup>3</sup>, San Jose led the State in pay averaging \$76,076 in 2000, the highest of all 318 metropolitan areas nationwide – a position it has maintained since 1997. (See table 3.) For the first time, annual pay in San Francisco, at \$59,314, ranked second highest nationally. Visalia-Tulare-Porterville had the lowest average annual pay in the State and one of the lowest in the country, at \$23,722, and ranked 307<sup>th</sup>.

The rate of growth in pay from 1999 to 2000 varied among the State's metropolitan areas with 11 above the nationwide average of 6.0 percent for all metropolitan areas. California's top three areas in pay growth--San Jose (24.5 percent), San Francisco (18.3 percent) and Santa-Cruz-Watsonville (15.5 percent)—also held these same positions nationally. Two other California metropolitan areas had percentage increases in pay among the top ten in the country. Santa Rosa ranked sixth with a pay gain of 11.5 percent and Ventura was ninth, increasing 9.2 percent. The smallest gain recorded in the State was 3.2 percent in Yolo.

### **Pay in large counties**

Pay in California's 26 large counties (those with an employment level of 75,000 or more) ranged from \$76,076 in Santa Clara County to \$23,722 in Tulare County. Pay levels in 13 of the large counties were above the national average of \$35,296 with three exceeding \$50,000. The rate of pay growth among half of the 26 large counties was above the nationwide average of 5.9 percent. Pay increases in San Mateo and Santa Clara Counties, at 30.2 and 24.5 percent, respectively, ranked first and second in California as well as among the 315 large counties in the nation. (See table 4.)

### **NOTE**

Annual average pay data for 2000 are preliminary and subject to revision.

Average annual pay by industry data in this release are based on the 1987 version of the Standard Industrial Classification (SIC) system. The data for 2001 will be based on the North American Industry Classification System (NAICS). Due to differences in NAICS and SIC structures, data for 2001 will not be comparable to the SIC-based data for earlier years. NAICS focuses on how products and services are created, as opposed to the SIC focus on what is produced. This approach yields significantly different industry groupings than those produced by the SIC approach.

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<sup>3</sup> Nationwide there are 318 metropolitan areas. The general concept of a metropolitan area is that of a core area containing a large population nucleus, together with adjacent communities that have a high degree of economic and social integration within that core. See Technical Note for criteria used in determining a metropolitan area.

Users interested in more information about NAICS can access the Bureau of the Census Web site at <http://www.census.gov/epcd/www/naics.html>. In addition, the BLS has published two articles on NAICS in the December 2000 Monthly Labor Review (“Implementing the NAICS at BLS” and “A first look at employment and wages using NAICS”) which can be accessed on line at <http://www.bls.gov/opub/mlr/mlrhome.htm>.

## TECHNICAL NOTE

### Background

These data are the product of a federal-state cooperative program in which State Employment Security Agencies (SESAs) prepare summaries of employment and total pay of workers covered by Unemployment Insurance legislation. The summaries are a by-product of the administration of state unemployment insurance (UI) programs that require most employers to pay quarterly taxes based on the employment and wages of workers covered by UI.

### Coverage

Employment and wage data for workers covered by state UI laws and for federal civilian workers covered by the Unemployment Compensation for Federal Employees (UCFE) program are compiled from quarterly contribution reports submitted to the SESAs by employers. In addition to the quarterly contribution reports, employers who operate multiple establishments within a state complete a questionnaire, called the "Multiple Worksite Report," which provides detailed information on the location and industry of each of their establishments. Average annual pay data are derived from summaries of employment and wages submitted by states to the Bureau of Labor Statistics. These reports are based on place of employment rather than place of residence.

UI and UCFE coverage is broad and basically comparable from state to state. In 2000, UI and UCFE programs covered workers in 129.9 million jobs. The estimated 124.9 million workers in these jobs (after adjustment for multiple jobholders) represent 99 percent of wage and salary civilian employment. Covered workers received \$4.586 trillion in pay, representing 96.2 percent of the wage and salary component of personal income and 46.0 percent of the gross domestic product.

Major exclusions from UI coverage during 2000 included most agricultural workers on small farms, all members of the Armed Forces, elected officials in most states, most employees of railroads, some domestic workers, most student workers at schools, and employees of certain small nonprofit organizations.

### Concepts and methodology

Average annual pay is computed by dividing total annual pay of employees covered by UI programs by the average monthly number of these employees. Included in the annual payroll data are bonuses, the cash value of meals and lodging when supplied, tips and other gratuities, and, in some states, employer contributions to certain deferred compensation plans such as 401(k) plans and stock options. Monthly employment is based on the number of workers who worked during or received pay for the pay period including the 12<sup>th</sup> of the month. With few exceptions, all employees of covered firms are reported, including production and sales workers, corporation officials, executives, supervisory

personnel, and clerical workers. Workers on paid vacations and part-time workers also are included. Percentage changes in average annual pay for 2000 were computed using final 1999 data as a base.

The ratio of full-time to part-time workers as well as the number of individuals in high-paying and low-paying occupations affects average annual pay. When comparing average annual pay levels between industries and/or states, these factors should be taken into consideration. Annual pay data only approximate annual earnings, because an individual may not be employed by the same employer all year or may work for more than one employer. Year-to-year changes in average annual pay can result from a change in the proportion of employment in high- and low- wage jobs, as well as from changes in the level of average annual pay.

Each year, a relatively small number of employers provide insufficient information on the nature of their businesses to assign a specific SIC classification and therefore can not be classified by industry division. The wages for these nonclassifiable establishments, along with data for the agricultural division, are not shown separately, but are included in the averages for state and national totals. Industry data in table 2 of this release are presented for the private sector only and exclude government workers. Average annual pay for employment in the private sector is presented by industry division as defined in the 1987 Standard Industrial Classification Manual.

The Office of Management and Budget (OMB) defines metropolitan areas for use in federal statistical activities and updates these definitions as needed each summer—data in this release use criteria established in definitions issued June 30, 1999 (OMB Bulletin No. 94-04). The 318 metropolitan areas in the United States are a compilation of a set of areas classified as Metropolitan Statistical Areas (MSAs), Primary Metropolitan Statistical Areas (PMSAs) and Consolidated Metropolitan Statistical Areas (CMSAs). Generally speaking, a MSA consists of one or more counties and meets specified size criteria—either it contains a city of at least 50,000 inhabitants, or it contains an urbanized area of at least 50,000 inhabitants, and has a total population of at least 100,000 (75,000 in New England). An MSA may contain more than one city of 50,000 population and may cross state lines. A CMSA is a metropolitan area that has a population of at least 1 million and has been divided into two or more PMSAs. The CMSA comprises the same geographic area as its constituent PMSAs which are loosely defined as free-standing areas that have a population of at least 100,000.

County definitions are assigned according to Federal Information Processing Standards Publications (FIPS PUBS) as issued by the National Institute of Standards and Technology, after approval by the Secretary of Commerce pursuant to Section 5131 of the Information Technology Management Reform Act of 1996 and the Computer Security Act of 1987, Public Law 104-106. Areas shown as counties include areas designated as independent cities in some jurisdictions, and, in Alaska, those designated as census areas where counties have not been created. County data also are presented for New England states for comparative purposes even though townships are the more common designation used in New England (and New Jersey).

#### Additional statistics and other information

Additional average annual pay data (or Covered Employment and Wages data) is available on the BLS Internet site at <http://www.bls.gov/cew/home.htm>. Data can be accessed in two ways, through Selective Access, which allows quick access to particular items or via the special request FTP service,

which allows access to extensive collection of flat text files. The San Francisco Information Office can provide assistance accessing these files by calling (415) 975-4350.

This news release, along with other BLS statistics and information, is available via the Internet at the BLS World Wide Web site <http://www.bls.gov/ro9/ro9news.htm>.

BLS issues an annual report that provides data from state UI and UCFE programs. The comprehensive bulletin, *Employment and Wages, Annual Averages, 2000*, features information by detailed industry on establishments, employment, and wages for the nation and individually for each state. The report is available for sale from the Bureau of Labor Statistics Publications Sales Center, P.O. Box 2145, Chicago, Illinois 60690. Telephone orders using a credit card (MasterCard, VISA, Discover/NOVUS) or Government Printing Office Deposit Account are accepted at (312) 353-1880 from 8 a.m. to 3 p.m. central time.

For personal assistance or further information on Annual Average Pay data as well as other Bureau programs, contact the San Francisco Information Office at (415) 975-4350 from 9:00 a.m. to 11:30 a.m. and 1:30 p.m. to 4:00 p.m. pacific time.

**Table 1. State average annual pay for 1999 and 2000 and percent change in pay for all covered workers<sup>1</sup>**

	Average annual pay		Percent change 1999-2000
	1999	2000	
UNITED STATES .....	\$33,340	\$35,296	5.9
<b>Pacific division<sup>2</sup></b> .....	<b>36,518</b>	<b>39,583</b>	<b>8.4</b>
Alabama .....	28,095	29,037	3.4
<b>Alaska</b> .....	<b>34,033</b>	<b>35,125</b>	<b>3.2</b>
Arizona .....	30,525	32,606	6.8
Arkansas .....	25,371	26,307	3.7
<b>California</b> .....	<b>37,577</b>	<b>41,194</b>	<b>9.6</b>
Colorado .....	34,191	37,167	8.7
Connecticut .....	42,682	45,445	6.5
Delaware .....	35,157	36,677	4.3
District of Columbia .....	50,885	53,018	4.2
Florida .....	28,935	30,549	5.6
Georgia .....	32,332	34,182	5.7
<b>Hawaii</b> .....	<b>29,794</b>	<b>30,630</b>	<b>2.8</b>
Idaho .....	26,044	27,709	6.4
Illinois .....	36,296	38,044	4.8
Indiana .....	30,027	31,015	3.3
Iowa .....	26,953	27,928	3.6
Kansas .....	28,031	29,357	4.7
Kentucky .....	27,783	28,829	3.8
Louisiana .....	27,216	27,877	2.4
Maine .....	26,887	27,664	2.9
Maryland .....	34,489	36,373	5.5
Massachusetts .....	40,352	44,326	9.8
Michigan .....	35,750	37,016	3.5
Minnesota .....	33,487	35,418	5.8
Mississippi .....	24,391	25,197	3.3
Missouri .....	29,967	31,386	4.7
Montana .....	23,260	24,264	4.3
Nebraska .....	26,632	27,662	3.9
Nevada .....	31,213	32,276	3.4
New Hampshire .....	32,141	34,731	8.1
New Jersey .....	41,038	43,691	6.5
New Mexico .....	26,267	27,498	4.7
New York .....	42,179	44,942	6.6
North Carolina .....	29,462	31,077	5.5
North Dakota .....	23,751	24,678	3.9
Ohio .....	31,395	32,510	3.6
Oklahoma .....	25,813	26,980	4.5
<b>Oregon</b> .....	<b>30,872</b>	<b>32,765</b>	<b>6.1</b>
Pennsylvania .....	32,696	33,999	4.0
Rhode Island .....	31,169	32,618	4.6
South Carolina .....	27,132	28,173	3.8
South Dakota .....	23,767	24,803	4.4
Tennessee .....	29,478	30,558	3.7
Texas .....	32,898	34,948	6.2
Utah .....	27,895	29,226	4.8
Vermont .....	27,597	28,920	4.8
Virginia .....	33,025	35,151	6.4
<b>Washington</b> .....	<b>35,736</b>	<b>37,059</b>	<b>3.7</b>
West Virginia .....	26,018	26,887	3.3
Wisconsin .....	29,607	30,697	3.7
Wyoming .....	25,647	26,837	4.6

<sup>1</sup> Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.

<sup>2</sup> The 5 states comprising the Pacific division are in bold-face type.

Table 2. State and industry average annual pay in the Pacific States for 1999 and 2000 and percent change in pay for all covered workers<sup>1</sup>

State and industry <sup>2</sup>	Average annual pay		Percent change, 1999-2000
	1999	2000	
United States			
Total Private <sup>2</sup> .....	\$33,244	\$35,305	6.2
Mining.....	54,636	58,121	6.4
Construction.....	34,812	36,622	5.2
Manufacturing.....	41,941	44,778	6.8
Transportation, communications, and public utilities.....	41,786	43,643	4.4
Wholesale trade.....	44,185	46,740	5.8
Retail trade.....	17,602	18,432	4.7
Finance, insurance, and real estate.....	50,910	55,556	9.1
Services.....	31,509	33,666	6.8
Alaska			
Total Private <sup>2</sup> .....	32,319	33,478	3.6
Mining.....	79,655	86,380	8.4
Construction.....	46,610	47,081	1.0
Manufacturing.....	33,728	32,106	-4.8
Transportation, communications, and public utilities.....	42,251	44,020	4.2
Wholesale trade.....	35,924	36,913	2.8
Retail trade.....	19,648	19,729	0.4
Finance, insurance, and real estate.....	34,724	36,564	5.3
Services.....	27,023	28,031	3.7
California			
Total Private <sup>2</sup> .....	37,310	41,182	10.4
Mining.....	66,061	65,096	-1.5
Construction.....	37,523	40,360	7.6
Manufacturing.....	49,672	57,695	16.2
Transportation, communications, and public utilities.....	46,480	47,278	1.7
Wholesale trade.....	45,785	48,935	6.9
Retail trade.....	20,403	21,915	7.4
Finance, insurance, and real estate.....	54,709	60,163	10.0
Services.....	36,885	41,372	12.2

See footnotes at end of table.



Table 2. State and industry average annual pay in the Pacific States for 1999 and 2000 and percent change in pay for all covered workers<sup>1</sup> (Continued)

State and industry <sup>2</sup>	Average annual pay		Percent change, 1999-2000
	1999	2000	
Hawaii			
Total Private <sup>2</sup> .....	28,163	29,181	3.6
Mining.....	52,383	56,977	8.8
Construction.....	43,623	45,423	4.1
Manufacturing.....	32,034	34,404	7.4
Transportation, communications, and public utilities.....	37,613	38,598	2.6
Wholesale trade.....	34,172	34,745	1.7
Retail trade.....	17,747	18,231	2.7
Finance, insurance, and real estate.....	37,124	39,044	5.2
Services.....	28,082	29,087	3.6
Oregon			
Total Private <sup>2</sup> .....	30,457	32,480	6.6
Mining.....	36,288	37,733	4.0
Construction.....	36,041	38,295	6.3
Manufacturing.....	41,226	45,839	11.2
Transportation, communications, and public utilities.....	38,126	41,888	9.9
Wholesale trade.....	42,482	45,397	6.9
Retail trade.....	18,319	18,730	2.2
Finance, insurance, and real estate.....	37,801	39,126	3.5
Services.....	27,309	28,982	6.1
Washington			
Total Private <sup>2</sup> .....	35,945	37,212	3.5
Mining.....	43,619	46,791	7.3
Construction.....	35,623	37,494	5.3
Manufacturing.....	44,486	47,072	5.8
Transportation, communications, and public utilities.....	43,078	47,596	10.5
Wholesale trade.....	40,665	43,599	7.2
Retail trade.....	19,354	20,877	7.9
Finance, insurance, and real estate.....	41,744	44,430	6.4
Services.....	41,649	40,943	-1.7

<sup>1</sup> Industry data are for private sector employment only and exclude government workers.

<sup>2</sup> Includes data for industries in addition to those shown separately.

Table 3. Average annual pay for 1999 and 2000 for all covered workers<sup>1</sup> by metropolitan area California.

Metropolitan area <sup>2</sup>	Average annual pay			
	1999	2000	Percent change, 1999-2000	Ranking <sup>3</sup> of area by Pay level, 2000
All metropolitan areas.....	\$34,900	\$37,010	6.0	-
Metropolitan areas in California				
Bakersfield, CA MSA .....	27,034	28,536	5.6	181
Chico-Paradise, CA MSA .....	24,147	25,100	3.9	281
Fresno, CA MSA .....	24,748	25,956	4.9	265
Los Angeles-Long Beach, CA PMSA .....	37,788	39,671	5.0	25
Merced, CA MSA .....	23,499	24,793	5.5	291
Modesto, CA MSA .....	27,009	28,202	4.4	193
Oakland, CA PMSA .....	40,994	44,170	7.7	13
Orange County, CA PMSA .....	37,452	39,208	4.7	27
Redding, CA MSA .....	26,065	27,054	3.8	232
Riverside-San Bernardino, CA PMSA .....	28,340	29,540	4.2	153
Sacramento, CA PMSA .....	34,269	36,598	6.8	37
Salinas, CA MSA .....	28,498	29,986	5.2	140
San Diego, CA MSA .....	34,722	37,516	8.0	31
San Francisco, CA PMSA .....	50,119	59,314	18.3	2
San Jose, CA PMSA .....	61,117	76,076	24.5	1
San Luis Obispo-Atascadero-Paso Robles, CA MSA ....	26,454	28,067	6.1	201
Santa Barbara-Santa Maria-Lompoc, CA MSA .....	30,099	32,518	8.0	84
Santa Cruz-Watsonville, CA PMSA .....	31,025	35,826	15.5	43
Santa Rosa, CA PMSA .....	32,092	35,796	11.5	44
Stockton-Lodi, CA MSA .....	27,920	29,250	4.8	164
Vallejo-Fairfield-Napa, CA PMSA .....	29,678	32,130	8.3	90
Ventura, CA PMSA .....	33,978	37,102	9.2	33
Visalia-Tulare-Porterville, CA MSA .....	22,701	23,722	4.5	307
Yolo, CA PMSA .....	32,362	33,395	3.2	67
Yuba City, CA MSA .....	25,134	26,140	4.0	260

<sup>1</sup> Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs

<sup>2</sup> Includes data for Metropolitan Statistical Areas and Primary Metropolitan Statistical Areas as defined by OMB Bulletin No. 99-04. See Technical Note for definitions of metropolitan areas.

<sup>3</sup> Ranking are based on a comparison of data for 318 metropolitan areas nationwide.

Table 4. County rankings of employment and average annual pay for 2000 and 1999-2000 percent changes for all covered workers<sup>1</sup> in the 315 largest counties

County <sup>2</sup>	Employment		Average annual pay		
	2000 <sup>3</sup>	Net change, 1999-2000 <sup>4</sup>	2000 <sup>3</sup>	Ranked by 2000 level	Ranked by percent change 1999-2000 <sup>5</sup>
Los Angeles, CA.....	4,101,907	72,637	\$39,671	54	113
Orange, CA.....	1,396,170	49,918	39,208	56	129
San Diego, CA.....	1,197,997	37,983	37,516	77	30
Santa Clara, CA.....	1,035,451	64,031	76,076	1	2
Alameda, CA.....	696,859	20,696	45,062	25	19
San Francisco, CA.....	609,626	21,974	57,626	6	8
Sacramento, CA.....	574,101	14,443	37,725	71	45
San Bernardino, CA...	528,842	15,623	29,920	227	189
Riverside, CA.....	470,044	24,096	29,113	249	130
San Mateo, CA.....	379,195	19,831	66,943	3	1
Contra Costa, CA.....	337,177	10,542	42,326	43	203
Fresno, CA.....	323,438	6,678	26,197	298	112
Ventura, CA.....	287,744	9,661	37,102	79	21
Kern, CA.....	238,788	5,429	28,536	260	85
San Joaquin, CA.....	201,320	6,279	29,250	243	124
Sonoma, CA.....	191,062	5,942	35,796	99	11
Santa Barbara, CA.....	177,197	5,444	32,518	156	31
Monterey, CA.....	164,623	3,974	29,986	224	102
Stanislaus, CA.....	162,064	3,757	28,202	267	148
Tulare, CA.....	133,264	4,846	23,722	309	143
Solano, CA.....	117,379	4,352	31,646	185	25
Marin, CA.....	112,007	2,632	42,669	39	24
Placer, CA.....	107,066	8,657	33,476	138	89
Santa Cruz, CA.....	101,822	3,196	35,826	96	4
San Luis Obispo, CA..	94,926	3,383	28,067	272	69
Yolo, CA.....	84,687	1,356	33,395	142	235

<sup>1</sup> Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs. The 315 U.S. counties comprise 70.8% of the total covered workers in the U.S.

<sup>2</sup> Includes areas not officially designated as counties. See Technical Note.

<sup>3</sup> Data are preliminary.

<sup>4</sup> Net changes were computed from annual employment data adjusted for noneconomic county reclassifications. See Technical Note.

<sup>5</sup> Rankings for percent change in annual pay are based on the 314 counties that are comparable over the year.